## UNITED STATES DISTRICT COURT DISTRICT OF PUERTO RICO

THE COMMONWEALTH OF PUERTO RICO  Debtor.	the Commonwealth and shall only be filed in the lead Case No. 17 BK 3283-LTS.
as representative of	This Joint Motion relates only to
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	No. 17 BK 3283-LTS
In re:	PROMESA Title III
Debtors. <sup>1</sup>	(Jointly Administered)
as representative of THE COMMONWEALTH OF PUERTO RICO, et al.,	Re: ECF No. 730, 732
MANAGEMENT BOARD FOR PUERTO RICO,	No. 17 BK 3283-LTS
THE FINANCIAL OVERSIGHT AND	PROMESA Title III
In re:	

### JOINT MOTION IN COMPLIANCE WITH ORDER AT ECF NO. 732

## To the Honorable United States District Court Judge Laura Taylor Swain:

Come now, Hospital San Juan Capestrano ("Movant"), and the Commonwealth of Puerto Rico ("Commonwealth"), 2 jointly through their undersigned counsel, to respectfully move the Court for an Order granting partial relief from the automatic stay, and in support of their motion, state as follows:

The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

The Financial Oversight and Management Board of Puerto Rico, as the Debtors' representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* ("PROMESA"), has authorized the filing of this joint motion on behalf of the Commonwealth.

- 1. On July 24, 2017 the Movant appeared before this Honorable Court requesting partial relief from the automatic stay under Bankruptcy Code section 362, made applicable to the Commonwealth's Title III case by PROMESA section 301(a) (the "<u>Title III Stay</u>"), requesting that the state Civil Case No. K PE2013-0729 and No. C PE2017-0068 (collectively, the "<u>Prepetition Actions</u>") be allowed to continue before the San Juan Court and Arecibo Court, respectively [ECF No. 730]. The Commonwealth is due to respond to this request by August 7, 2017, as ordered by this Court [ECF No. 732].
- 2. The plaintiffs in the Prepetition Actions are Yazira Oliveras Rodríguez, representing her daughter Y.L.A.O. and Anastacia Crespo Mulero representing her daughter A.L.D.C. (collectively, the "Plaintiffs"). The Prepetition Actions were filed by the Plaintiffs under the Individuals with Disabilities Education Act and Puerto Rico Law 51-1996, seeking injunctive relief that would allow the Plaintiffs to be placed in a residential facility that would provide adequate mental health services to Plaintiffs.
- 3. Movant's request for partial relief from the Title III Stay is limited to the partial judgment entered in the Prepetition Actions on February 25, 2013 and February 21, 2013 (collectively, the "Partial Judgment"), which approved an agreement between Plaintiffs and the defending state agencies (the Department of Education, Department of Family, Department of Health and ASSMCA) regarding the placement of the minors in a residential facility of Movant.
- 4. On June 13, 2017, the Arecibo Court, by its own initiative, decreed that Civil Case No. C PE2017-0068 was stayed under Title III.
- 5. On August 3, 2017, the San Juan Court ruled that it would retain jurisdiction over the compliance by the state agencies with the Partial Judgment.

- 6. At the present time, and after evaluating the facts and procedural stage of the Prepetition Actions, Movant and the Commonwealth believe that it is in their best interest to jointly request a partial modification of the Title III Stay to permit Movant and the Commonwealth to continue to work together on re-locating the minors to an appropriate residential facility.
- 7. It is expressly understood by Movant that nothing contained herein shall (a) permit Movant to prosecute any action against the Commonwealth or its agencies, (b) require the Commonwealth to satisfy any monies allegedly owed to Movant, or (c) constitute a determination of any type of liability or monetary claim of any kind as to any party in the Prepetition Actions.
- 8. The Commonwealth reserves all rights, defenses, and protections with respect to any other motions for relief from the Title III Stay or any other matters pending in the Commonwealth's Title III case. The Commonwealth further reserves its rights in respect to any claim currently pending in the Prepetition Actions.

WHEREFORE, it is respectfully requested that this Honorable Court take notice of the above, and GRANT the partial relief requested in the *Motion for Relief From Stay* [ECF No. 730], provided that the Title III Stay is lifted solely to the limited extent necessary to allow the San Juan Court and Arecibo Court to retain jurisdiction in the matter of the state agencies' compliance with the Partial Judgment entered in the Prepetition Actions so as to permit Movant and the Commonwealth to continue to work together on re-locating the minors to an appropriate residential facility. Nothing contained herein operates as a waiver or modification of the Title III Stay for any purpose other than as expressly provided for in this paragraph. It is expressly understood by Movant that nothing contained herein shall require the Commonwealth or any of

the other Debtors in the above-captioned cases or their assets or properties to satisfy any liability to Movant in any way whatsoever with respect to the Prepetition Actions.

### **CERTIFICATE OF SERVICE**

I hereby certify that on this date I electronically filed the foregoing Motion with the Clerk of the Court, using the CM/ECF System, which will send notification of such filing to all appearing parties and counsels using the Court's electronic system.

#### RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on August 7, 2017.

## **Attorney for Movant:**

/s/Jessica Esther Méndez Colberg

JESSICA ESTHER MENDEZ COLBERG

USDC 302108 Urb. Constancia Calle San Francisco PO Box 10779

Ponce, Puerto Rico 00732-0779

Tel. 787-848-0666 Fax 787-841-1435

Email: jessica@bufete-emmanuelli.com

# **<u>Attorney for the Commonwealth of Puerto</u> Rico:**

Wanda Vázquez Garced Secretary of Justice

/s/ Wandymar Burgos Vargas

WANDYMAR BURGOS VARGAS

USDC 223502

Deputy Secretary in Litigation

Department of Justice

P.O. Box 9020192

San Juan, Puerto Rico 00902-0192 Phone: 787-721-2940 Ext. 2500, 2501

wburgos@justicia.pr.gov